

UNAPPROVED
MINUTES OF THE REGULAR MEETING OF THE
ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY
Wednesday, March 2, 2011

The meeting convened at 8:23 p.m. with Chair Gilmore presiding.

1. ROLL CALL

Present: Board Members Bonta, deHaan, Johnson, Tam and Chair Gilmore – 5.

Absent: None.

2. ORAL COMMUNICATIONS, NON-AGENDA (PUBLIC COMMENT)

Speakers: Philip Tribuzio. Mr. Tribuzio discussed self-supporting park (reservation picnic grounds) and open space development at Alameda Point.

3. CONSENT CALENDAR

(*11-021) Approve the minutes of the Special Meeting (Closed Session) and Regular Meeting of February 2, 2011; and the Special Joint City Council and ARRA Meeting (Closed Session) of February 15, 2011.

(*11-022) Approve an Environmental Testing Contract with Pacific EcoRisk to Support 2011 Dredging in an Amount not to Exceed \$138,740 to be reimbursed by the Maritime Administration.

Item 3-C. (Building 22) was pulled for discussion. Staff indicated that the item should have been under Regular Agenda Items, but was mistakenly put under consent.

Vice Chair Bonta moved for approval of the balance of the Consent Calendar. Member deHaan seconded the motion, which carried by unanimous voice vote – 5. [Items so enacted or adopted are indicated by an asterisk preceding the paragraph number.]

(11-023) Reserve Building 22 for Active Recruitment of a Food and Beverage Tenant Compatible with the Existing Neighboring Tenants.

The Deputy City Manager - Development Services gave a presentation on a proposed leasing strategy for Building 22.

Speakers: Rich Krinks - Harbor Bay Realty & Mariner Sq. Athletic Club, William Williford - President, Rockwall Wine Co., Carol Gottstein – Alameda citizen.

The Board discussed the different options for Bldg. 22, including sharing the space, and a cooperative with the parties involved.

Chair Gilmore stated that giving direction to staff is premature and requested all parties involved, including city staff, meet again to discuss options and return to the Board. The Deputy City Manager - Development Services confirmed that staff will attend a microbrewery convention, explore all opportunities, talk to Mariner Square Athletic Club, the Bladium, and the other interested parties – to work out a deal that is feasible with everyone and bring the item back to the ARRA.

Chair Gilmore discussed the broader part involving the Alameda Point leasing strategy and again requested a real estate primer, inquiring why an economics expert needs to be on board before a real estate primer can be presented. She suggested that a real estate brokerage firm could provide a market study with the information she has been requesting. Chair Gilmore would like to know the realistic chances for long-term leases at Alameda Point, find out what the competition is in order to figure out the strategy.

Member Tam suggested contacting Joe Ernst with SRM Associates, a commercial real estate development firm, to provide the commercial market information. The Deputy City Manager - Development Services – agreed to obtain the market reports, summarize them, and present them to the Board at its next meeting.

Member Tam asked the Deputy City Manager – Development Services if staff will facilitate a discussion among the three potential tenants of Building 22. Vice Chair Bonta concurs with Chair Gilmore that the ARRA doesn't need to intercede at this point and commented that when parties are working together, it could be a win-win for all parties. The facilities would serve the community well, and the ARRA would like the lease revenue from both.

4. REGULAR AGENDA ITEMS

(11-024) Award Contract for the Alameda Point Resource Team to Perkins + Will in the Amount of \$200,000 for Land Use Planning Consulting Services.

The Deputy City Manager - Development Services introduced staff comprising the team, including the Planning Services Manager, Andrew Thomas, and the Public Works Director, Matt Naclerio. The Deputy City Manager – Development Services informed the Board that although the agenda states it, staff is not going to ask the Board to approve the Perkins + Will contract at this time. The team gave a presentation on the Alameda Point Planning Process to start answering questions that the Board and community has. Staff will take an additional month to compile a consolidated, comprehensive response to all questions heard over the last month and tonight.

The Deputy City Manager – Development Services recommended moving forward with a City-led process beginning in April with a visioning effort over the next six months to try to develop a community consensus of what it wants in terms of a land use program and transportation plan.

Chair Gilmore thanked the team for a thorough and comprehensive presentation which she states lays the foundation for where to go from here, and the public knows what to expect.

Member Tam inquired what the Navy's current position is on conveyance and their desire to look at recovery of costs. The Deputy City Manager - Development Services stated that the Navy would love for the City to move forward as quickly as possible and that they'd like to dispose of the property on mutually agreeable terms. The Navy is aware of the ARRA's Going Forward process, and has been sent the Community Planning Workbook. The Deputy City Manager - Development Services has also talked to BRAC management at the ADC Conference in San Antonio. Staff has addressed issues with the Navy that don't require a land use plan. A land use plan needs to be in place in order for the Navy to start their NEPA process, and the City its CEQA process. The NEPA process needs to be done before the Navy can convey the land. The Navy is excited about the LBNL opportunity as well.

Member Tam inquired how flexible the Navy is going to be with their LIFO, citing the provision that a tenant has to vacate in 30 days in order to clean up a site. The Deputy City Manager - Development Services explained that there have been discussions with the Navy about phasing

and implementation, and that the Navy has been encouraging. There are other communities like McClellan AFB who used their LIFOC to start implementing infrastructure improvements. It is staff's hope that the Navy subordinate the LIFOC to long-term financing entities.

The Planning Services Manager explained the general conveyance process: A project description which includes alternatives comes first, those alternatives are evaluated and kept into play, so that during the next step in the process, the 18-24 month environmental period, the community and/or Board/Council may want to change the project description to fit more closely with one of the alternatives. A final decision will be made when the environmental process is complete and the Board/Council has all the information.

Member Johnson commented that she has received positive and enthusiastic feedback on the Going Forward process. The community felt like they had more of a role in the potential options for developing the base. Member Johnson stated that the team which staff is proposing is excellent and that she would like to keep the momentum going.

Member deHaan thanked staff for the presentation, stating that the gameplan puts ownership back to the community. Member deHaan inquired whether the resource team will have opportunity to come together as one large group. The Deputy City Manager – Development Services confirmed that once the team members are under contract, there will be a coordinated effort to get everyone all in the same room. Member deHaan looks forward to great progress in the next six months.

Vice Chair Bonta concurred that staff's presentation was very thorough and thoughtful. He stated that it is critical that the community develop its own vision for what is wanted at Alameda Point and prepare it for implementation. Vice Chair Bonta emphasized the importance placed on flexibility, being nimble, and being able to respond to opportunities as they come up in the market, as it may change. Vice Chair Bonta clarified that the process is not being truncated to just six months. The Deputy City Manager - Development Services concurred and explained that the six-month timeframe was the reassessment of a two-phased process, the first phase is the 6-month reassessment phase, and the second phase is the entitlement phase.

Boardmembers discussed their concerns about a 55" sea level rise. The Planning Services Manager assured the Board that the sea level rise is a city-wide issue and that it will be addressed.

Chair Gilmore complimented staff on providing information that is useful, emphasizing the need to make sure the city's resources are used wisely, as there are very real costs associated with maintaining Alameda Point. Chair Gilmore looks forward to staff's update in April.

5. ORAL REPORTS

(11-025) Oral report from Member deHaan, Restoration Advisory Board (RAB) representative
- Highlights of February 3, 2011 Alameda Point RAB Meeting.

Member deHaan reported that he did not attend the 2/3 RAB meeting. He and other Board members attended a volunteer animal shelter recognition dinner. Member deHaan reported that the RAB discussed the budget process for the Navy's fiscal year, which runs until October. The Navy has \$31M it plans to spend, with an estimated \$96.2M additional to clear the project. The next RAB meeting is Thurs. 3/3.

6. ORAL COMMUNICATIONS, NON-AGENDA (PUBLIC COMMENT)

None.

7. EXECUTIVE DIRECTOR COMMUNICATIONS

(11-026) Update on Alameda Municipal Power's Response to Lawrence Berkeley National Lab's Request for Qualifications.

Girish Balachandran, Alameda Municipal Power (AMP) General Manager, introduced the president of the Public Utilities Board (PUB), Greg Hamm. Mr. Hamm stated that the PUB has discussed the LBNL opportunity and is very excited for both the City and AMP, as there is potential to lower rates and strengthen the whole AMP system in the long run. Mr. Hamm stated that there will be a huge impact and will require stringent due diligence. The PUB looks forward to working with the Council and other city agencies to move the LBNL opportunity forward.

The AMP General Manager concurred with Mr. Hamm, explaining that all divisions of AMP will be impacted and that they are doing lots of background preparation in anticipation of being shortlisted. The General Manager discussed the main points AMP included in its response to the RFQ. The main concern was whether AMP has enough capacity to serve the anticipated load. The General Manager explained that system was built to serve the Naval Base, which is 1/3 of the load, and that AMP does have existing distribution capacity. The transmission system has been built to serve approximately 145MW and current MW is approximately 70. The substation capacity is sufficient, the distribution capacity is also sufficient for the first phase of load. LBNL has a 5-10 year phase-in of load.

Member Tam stressed that the City/AMP has to be very careful that existing customers do not experience any impact in terms of rate increases to compensate and subsidize the rate subsidies at LBNL, or the City doesn't experience rolling brown outs because LBNL has a huge spike in need. Member Tam emphasized the importance of making sure this is communicated to the community when it becomes a reality.

The AMP General Manager assured Member Tam and the Board that AMP recognizes the ramifications, including regulatory, associated with the LBNL opportunity and is doing its due diligence, has resources in place for risk management, and will be prepared. AMP will communicate any issues and updates to the Board.

8. REFERRALS FROM THE GOVERNING BODY

None.

9. COMMUNICATIONS FROM THE GOVERNING BODY

None.

10. ADJOURNMENT

There being no further business, Chair Gilmore adjourned the meeting at 10:35 p.m.

Respectfully submitted,

Irma Glidden
ARRA Secretary

UNAPPROVED
SPECIAL JOINT MEETING OF THE CITY COUNCIL,
ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY (ARRA),
AND COMMUNITY IMPROVEMENT COMMISSION (CIC)
TUESDAY - - - MARCH 15, 2011 - - - 6:00 P.M.

Mayor/Chair Gilmore convened the meeting at 6:00 p.m.

Roll Call – Present: Councilmembers/Board Members/Commissioners Bonta, deHaan, Johnson, Tam and Mayor Gilmore – 5.

Absent: None.

The meeting was adjourned to Closed Session to consider:

(11-118 CC) Conference with Legal Counsel – Existing Litigation (54956.9); Name of case: Alameda Gateway LTD. V. City of Alameda

(11-119 CC/11-027 ARRA/11-016 CIC) Conference with Legal Counsel – Existing Litigation (54956.9); Name of case: SCC Alameda Point, LLC, et al v. City of Alameda et al, U.S. District Court, case number CV 10-5178

(11-120 CC/11-028 ARRA/11-017 CIC) Conference With Legal Counsel – EXISTING Litigation (54956.9); Name of case: SCC Alameda Point, LLC. et al v. City of Alameda et al, Alameda County Superior Court, case number RG10537988

Following the Closed Session, the meeting was reconvened and Mayor/Chair Gilmore announced regarding Alameda Gateway, Council was briefed on the lawsuit and provided direction to the Acting City Attorney; regarding case number CV 10-5178, the attorneys provided a briefing on the federal lawsuit; regarding case number RG 10537988, the attorneys provided a briefing on the State litigation.

Adjournment

There being no further business, Mayor/Chair Gilmore adjourned the meeting at 7:11 p.m.

Respectfully submitted,

Lara Weisiger, City Clerk
Secretary, CIC

The agenda for this meeting was posted in accordance with the Brown Act.

UNAPPROVED
MINUTES OF THE SPECIAL JOINT CITY COUNCIL,
ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY (ARRA), AND
COMMUNITY IMPROVEMENT COMMISSION (CIC) MEETING
TUESDAY- -MARCH 15, 2011- -7:01 P.M.

Mayor/Chair Gilmore convened the meeting at 8:20 p.m.

ROLL CALL - Present: Councilmembers / Board Members / Commissioners
Bonta, deHaan, Johnson, Tam and Mayor/Chair
Gilmore – 5.

Absent: None.

CONSENT CALENDAR

Councilmember/Board Member Tam announced that she would recuse herself from the EBMUD JPA [paragraph no. 11-138 CC/11-11-030 ARRA], which was removed from the Consent Calendar.

Councilmember/Board Member/Commissioner Johnson announced that she would abstain from voting on the March 8th minutes.

Councilmember/Board Member/Commissioner deHaan moved approval of the remainder of the Consent Calendar.

Vice Mayor/Board Member/Commissioner Bonta seconded the motion, which was carried by unanimous voice vote – 5. [Items so enacted or adopted are indicated by an asterisk preceding the paragraph number.]

(*11-137 CC/11-029 ARRA/11-018 CIC) Minutes of the Special Joint City Council, ARRA, and CIC Meeting Held on February 15, 2011; the Special Joint City Council, CIC, and Housing Authority Board of Commissioners (HABOC) Meeting Held on March 1, 2011; the Special CIC and HABOC Meeting Held on March 2, 2011; and the Special Joint City Council and CIC Meeting Held on March 8, 2011. Approved.

[Note: Councilmember/Board Member/Commissioner Johnson abstained from voting on the March 8th minutes.]

(11-138 CC/11-030 ARRA) CC Resolution No. 14558/ARRA Resolution No. 53, "Authorizing the Acting City Manager and the Acting Executive Director to Execute the Joint Exercise of Powers Agreement to Inspect, Operate, and Maintain the Alameda Point Water System in Preparation for Transfer of Potable Water Infrastructure with East Bay Municipal Utility District." Adopted.

Councilmember/Board Member Tam left the dais at 7:06 p.m. and returned at 7:08 p.m.

Councilmember/Board Member deHaan moved adoption of the resolution.

Vice Mayor/Councilmember Bonta seconded the motion, which carried by the following voice vote: Ayes: Councilmembers/Board Members Bonta, deHaan, Johnson and Mayor/Chair Gilmore - 4. Abstention: Councilmember/Board Member Tam – 1.

AGENDA ITEMS

(11-139 CC/11-031 ARRA) Recommendation to Authorize the Acting Executive Director and Acting City Manager to Bind Pollution Legal Liability Insurance Coverage for Alameda Point with XL Environmental for a Cost of \$720,112.

The Acting City Attorney/Legal Counsel gave a brief presentation.

Vice Mayor/Board Member Bonta inquired whether XL Environmental would not cover anything that was previously covered.

Patrician Blau, Marsh Risk Services, responded unfortunately, in the last ten years, insurance carriers have found that the loss has not been favorable so no market is offering coverage.

Councilmember/Board Member deHaan inquired whether any claims have been filed, to which the Risk Manager responded not at Alameda Point.

Councilmember/Board Member Johnson inquired whether the new policy would have additional exclusions that were not in the previous policy.

The Risk Manager responded some additional exclusions would be overridden through endorsements, such as an early transfer restriction; under an early transfer, XL Environmental would not be responsible to clean up anything that is known, only what is unknown.

Councilmember/Board Member Johnson inquired whether the Navy still considers the transfer an early transfer.

The Acting City Attorney/Legal Counsel responded the Navy would still be on the hook for clean up.

Councilmember/Board Member Johnson inquired whether the insurance would cover a privatized clean up.

The Deputy City Manager – Development Services responded the policy would not have a cost-cap and would not cover clean up of known substances.

Councilmember/Board Member Johnson questioned whether staff is being careful regarding early transfer language; stated the Navy still refers to the entire transfer as an early transfer.

The Acting City Attorney/Legal Counsel responded early transfer was excluded all together; the [proposed] coverage is better now and there would only be an exclusion for some situations of early transfer; a known condition that the transferee plans to clean up would be excluded.

Councilmember/Board Member Johnson inquired whether there are any other additional exclusions.

The Risk Manager responded the marsh crust; stated XL Environmental would pay for any accidental penetration and subsequent pollution but would not pay for anything intentional or willful.

Councilmember/Board Member deHaan inquired whether staff delineated what to include in the policy and Chubb just missed it; further inquired whether staff provided Chubb with an opportunity to update the policy.

The Risk Manager responded many opportunities were provided; stated Chubb would not come to the table with respect to asbestos and lead paint which would be the more likely scenarios for future property damage and bodily injury.

Councilmember/Board Member Johnson moved approval of the staff recommendation.

Councilmember/Board Member deHaan seconded the motion, which was carried by unanimous voice vote – 5.

ADJOURNMENT

There being no further business, Mayor/Chair Gilmore adjourned the meeting at 8:34 p.m.

Respectfully submitted,

Lara Weisiger, City Clerk
Secretary, CIC

The agenda for this meeting was posted in accordance with the Brown Act.